

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. The struggle for power between Georgiy M. Malenkov and Nikita S. Khrushchev was joined when Khrushchev became Secretary of the Communist Party of the Soviet Union on 20 March 1953.¹
2. In September 1953 Khrushchev put forward the new agricultural plan, which was markedly favorable to consumers and would have resulted in a rise in the Soviet standard of living. Malenkov favored this plan.
3. The plan soon proved to be unrealistic, and this was essentially admitted in Khrushchev's new plan of 23 February 1954, which concentrated on the cultivation of grain and the cultivation of new lands beyond the Urals. This plan presupposed, among other things, a large production of agricultural machines; i.e., exploitation of the capacity of heavy industry and strains on transportation. Malenkov's line and Khrushchev's new February line were incompatible. During 1954 this was expressed in further contrasts between administration and Party. The high point was reached when the Party found itself called upon to take over officially the responsibility for carrying out the new cultivation plan. The Party interfered thereby in the sphere of the administration, and the results of this interference can be seen in all the purges of state officials that took place in 1954 and that continue in 1955.
4. It is a mistake to consider Malenkov an opponent of heavy industry as such. In his speech before the Supreme Soviet on 26 April 1954, he emphasized heavy industry as the basis for the whole national economy and for the nation's might. In spite of this, the speech in its entirety can be considered to be favorable to the production of consumer goods. It touched on agriculture only in passing. On the other hand, Khrushchev made a special speech on agricultural conditions on the same day.
5. Everything points to the fact that it was the agricultural question that occasioned Malenkov's resignation, as he himself said. But it was only indirectly responsible.

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Khrushchev demanded an increased share of industrial production for agriculture, because otherwise his plan could not be carried out. Malenkov possibly opposed it. Khrushchev showed himself to be the stronger. Essentially it means that the Party is stronger than the state in the Soviet Union.

6. That Bulganin became Malenkov's successor as head of the regime means only that the Party or Khrushchev has appointed a reliable partyman. This has nothing to do with the Army.
7. The opposite is possible with Georgiy K. Zhukov as Minister of Defense. With that, the defense forces have one of their own representatives in the regime, something that they did not have before. It could be a concession to the Army, but it could also be an indication that Khrushchev and the Army find themselves on the same side on the question of the development of heavy industry. Dmitriy L. Shepilov's article in Pravda of 24 January 1955 stresses that every weakening of the tempo of heavy industry must result in weakness in the whole of industry and in a reduction of Soviet defense strength, which conflicts with Marxist principles and Party policy. This is practically the same as the thesis stated in Khrushchev's speech of 25 January in the Central Committee. There is nothing to indicate anything other than that the Army shares Khrushchev's view of the Malenkov line.
8. Everything indicates that the result of the change of leaders will be that Khrushchev's investments in agriculture, which probably are necessary for the Soviet Union, will not be made at the expense of heavy industry and defense, but at the expense of consumer goods. An aggravation of the internal political situation in the Soviet Union can be expected, with increased demands for labor discipline, greater difficulties in obtaining consumer goods, and forced urbanization of the rural population.

1. Comment: Khrushchev was officially elected First Secretary of the Communist Party in September 1953. For all practical purposes, however, he had, as first among the five Party secretaries, held this post since Malenkov's resignation on 14 March 1953.

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